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APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
10/791,918	03/03/2004	John Edward Woods	56162916-2	3827
26453 7590 07/07/2009 BAKER & MCKENZIE LLP 1114 AVENUE OF THE AMERICAS NEW YORK, NY 10036				
EXAMINER VEZERIS, JAMES A				
ART UNIT 3693		PAPER NUMBER		
NOTIFICATION DATE 07/07/2009		DELIVERY MODE ELECTRONIC		

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

Notice of the Office communication was sent electronically on above-indicated "Notification Date" to the following e-mail address(es):

nycpatents@bakernet.com
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Office Action Summary

Application No.

10/791,918

Applicant(s)

WOODS ET AL.

Examiner

JAMES A. VEZERIS

Art Unit

3693

-- The MAILING DATE of this communication appears on the cover sheet with the correspondence address --
Period for Reply

A SHORTENED STATUTORY PERIOD FOR REPLY IS SET TO EXPIRE 3 MONTH(S) OR THIRTY (30) DAYS, WHICHEVER IS LONGER, FROM THE MAILING DATE OF THIS COMMUNICATION.

- Extensions of time may be available under the provisions of 37 CFR 1.136(a). In no event, however, may a reply be timely filed after SIX (6) MONTHS from the mailing date of this communication.
- If NO period for reply is specified above, the maximum statutory period will apply and will expire SIX (6) MONTHS from the mailing date of this communication.
- Failure to reply within the set or extended period for reply will, by statute, cause the application to become ABANDONED (35 U.S.C. § 133). Any reply received by the Office later than three months after the mailing date of this communication, even if timely filed, may reduce any earned patent term adjustment. See 37 CFR 1.704(b).

Status

- 1) ☒ Responsive to communication(s) filed on 12 March 2009.
- 2a) ☒ This action is **FINAL**. 2b) ☐ This action is non-final.
- 3) ☐ Since this application is in condition for allowance except for formal matters, prosecution as to the merits is closed in accordance with the practice under *Ex parte Quayle*, 1935 C.D. 11, 453 O.G. 213.

Disposition of Claims

- 4) ☒ Claim(s) 1, 3-12, 14-18 and 37-39 is/are pending in the application.
- 4a) Of the above claim(s) _____ is/are withdrawn from consideration.
- 5) ☐ Claim(s) _____ is/are allowed.
- 6) ☒ Claim(s) 1, 3-12, 14-18, and 37-39 is/are rejected.
- 7) ☐ Claim(s) _____ is/are objected to.
- 8) ☐ Claim(s) _____ are subject to restriction and/or election requirement.

Application Papers

- 9) ☐ The specification is objected to by the Examiner.
- 10) ☐ The drawing(s) filed on _____ is/are: a) ☐ accepted or b) ☐ objected to by the Examiner.
Applicant may not request that any objection to the drawing(s) be held in abeyance. See 37 CFR 1.85(a).
Replacement drawing sheet(s) including the correction is required if the drawing(s) is objected to. See 37 CFR 1.121(d).
- 11) ☐ The oath or declaration is objected to by the Examiner. Note the attached Office Action or form PTO-152.

Priority under 35 U.S.C. § 119

- 12) ☐ Acknowledgment is made of a claim for foreign priority under 35 U.S.C. § 119(a)-(d) or (f).
- a) ☐ All b) ☐ Some * c) ☐ None of:
1. ☐ Certified copies of the priority documents have been received.
 2. ☐ Certified copies of the priority documents have been received in Application No. _____.
 3. ☐ Copies of the certified copies of the priority documents have been received in this National Stage application from the International Bureau (PCT Rule 17.2(a)).

* See the attached detailed Office action for a list of the certified copies not received.

Attachment(s)

- 1) ☒ Notice of References Cited (PTO-892)
- 2) ☐ Notice of Draftsperson's Patent Drawing Review (PTO-948)
- 3) ☐ Information Disclosure Statement(s) (PTO/SB/06)
Paper No(s)/Mail Date _____
- 4) ☐ Interview Summary (PTO-413)
Paper No(s)/Mail Date _____
- 5) ☐ Notice of Informal Patent Application
- 6) ☐ Other: _____

Final Action

1. **THIS ACTION IS MADE FINAL.** Applicant is reminded of the extension of time policy as set forth in 37 CFR 1.136(a).

A shortened statutory period for reply to this final action is set to expire THREE MONTHS from the mailing date of this action. In the event a first reply is filed within TWO MONTHS of the mailing date of this final action and the advisory action is not mailed until after the end of the THREE-MONTH shortened statutory period, then the shortened statutory period will expire on the date the advisory action is mailed, and any extension fee pursuant to 37 CFR 1.136(a) will be calculated from the mailing date of the advisory action. In no event, however, will the statutory period for reply expire later than SIX MONTHS from the mailing date of this final action.

Pre-Exam Formalities

2. Claims 1, 3, 12, 14, 37, and 39 have been amended.
3. Claims 2 and 13 have been cancelled.
4. Claims 1, 3-12, 14-18, and 37-39 are currently pending.

Response to Applicant's Arguments

5. Applicant's arguments filed 3/12/2009, in regard to the 101 rejection, have been fully considered but they are not persuasive. Applicant argues that "electronically generating performance reports using software on a performance management system" ties the rejected claims to a statutory. Examiner disagrees- since the management

system is never described as more than software in the specification the claim can be understood as only code per se. Further examiner would like to add that nowhere in the specification is a "performance management system" mentioned.

6. Applicant's arguments, see page 8, filed 3/12/2009, with respect to the rejection of claims 1 and 12, under 112 2nd paragraph, have been fully considered and are persuasive. The rejection of claims 1 and 12 has been withdrawn.

7. Applicant's arguments, see pages 9-12, filed 3/12/2009, with respect to the rejection(s) of claim(s) 1-9, 11-17, and 37-39 under 102(e) have been fully considered and are persuasive. Therefore, the rejection has been withdrawn. However, upon further consideration, a new ground(s) of rejection is made in view of Milosavljevic in further view of US Patent 6,064,986 to Edelman. Examiner notes that the investment manager is a computer program in Edelman.

8. As per Applicants' arguments concerning the Official Notices, Applicants' attempt at traversing the Official Notice findings as stated in the previous Office Action (Page 13, filed 3/12/2009) is inadequate. Adequate traversal is a two step process. First, Applicant(s) must state their traversal on the record. Second, and in accordance with 37 C.F.R. §1.111(b), which requires Applicants to specifically point out the supposed errors in the Office Action, Applicants must state why the Official Notice statements are **not to be considered common knowledge or well known in the art.**

In this application, while Applicants have clearly met step (1), Applicants have failed step (2) since they have failed to argue why the Official Notice statements are not to be considered common knowledge or well known in the art. Because Applicants'

traversal is inadequate, the Official Notice statement(s) are taken to be admitted as prior art. See MPEP §2144.03.

Claim Rejections- 35 U.S.C. 101

9. 35 U.S.C. 101 reads as follows:

Whoever invents or discovers any new and useful process, machine, manufacture, or composition of matter, or any new and useful improvement thereof, may obtain a patent therefor, subject to the conditions and requirements of this title.

Claims 1, 3-12, 14-18, and 37-39 of the claimed invention are directed to non-statutory subject matter. In order for a method to be considered a "process" under §101, a claimed process must either: (1) be tied to another statutory class (such as a particular apparatus) or (2) transform underlying subject matter (such as an article or materials). *Diamond v. Diehr*, 450 U.S. 175, 184 (1981); *Parker v. Flook*, 437 U.S. 584, 588 n.9 (1978); *Gottschalk v. Benson*, 409 U.S. 63, 70 (1972). If neither of these requirements is met by the claim, the method is not a patent eligible process under §101 and is non-statutory subject matter. Claim language is being read as computer code per se and nowhere in the specification is physical hardware found.

Claim Rejections- 35 U.S.C. 112 1st Paragraph

10. Claims 1, 3-12, 14-18, and 37-39 are rejected under 35 U.S.C. 112, first paragraph, as failing to comply with the written description requirement. The claim(s) contains subject matter which was not described in the specification in such a way as to reasonably convey to one skilled in the relevant art that the inventor(s), at the time the

application was filed, had possession of the claimed invention. Nowhere in the specification is a "performance management system" mentioned. Further only "performance reports" are electronically generated.

Claim Rejections- 35 U.S.C. 103(a)

11. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

12. Claims 1, 3-9, 11-12, 14-17, and 37-39 are rejected under 35 U.S.C. 103(a) as being unpatentable over US PG-Pub 2002/0188536 to Milosavljevic et al. (Hereinafter "Milosavljevic") in view of US Patent 6,064,986 to Edelman.

Regarding Claim 1.

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in equity-based investments; (Paragraphs 70 and 136)

determining a plurality of dividend targets, the plurality of dividend targets associated with a plurality of respective periods during the predefined term;(Paragraph 100 Table 1)

determining a value indicator to be used during the predefined term; and (Paragraph 99)

investing the institutional capital in the equity-based investments for the

predefined term and for at least meeting the plurality of dividend targets, the investment manager using at least the value indicator to determine whether to buy, to hold or to sell at least one of the equity-based investments during the predefined term.(Paragraph 111)

determining whether the plurality of dividend targets are met by comparing dividends paid on the equity-based investments during each of the plurality of periods to the plurality of respective dividend targets, wherein monitoring the performance of the selected investment manager includes electronically generating performance reports using software on a performance management system. (See Paragraph 100)

Milosavljevic fails to teach:

selecting an investment manager;

monitoring performance of the selected investment manager;

Edelman teaches:

selecting an investment manager; (See Field of the invention)

monitoring performance of the selected investment manager; (See Field of the invention)

It would have been obvious to one of ordinary skill in the art to include Selecting an investment manager and monitoring the performance of the selected manager as taught by Edelman in the method of Milosavljevic since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. Examiner

notes that the applicant's arguments that the investment manager and reports generated by Milosavljevic are the and for the customer and not the investment manager. Edelman teaches the investment manager is a computer program. Using the system of Milosavljevic to monitor the decisions of Edelman's investment manager would be a simple coding change.

Regarding Claim 3.

Milosavljevic further teaches monitoring the performance of the investment manager further includes evaluating at least one of the performance report generated by the investment manager. (Paragraph 105)

Regarding Claim 4.

Milosavljevic further teaches determining a plurality of dividend targets includes determining a first dividend target for a first period based at least on a required dividend growth, (Paragraphs 121 and 122)

determining subsequent dividend targets for subsequent respective periods based on the required dividend growth and a required dividend yield. (Paragraphs 121 and 122 and 177)

Regarding Claim 5.

Milosavljevic further teaches the subsequent dividend targets are increased each subsequent period by a percentage equal to the required dividend growth multiplied by the required dividend yield. (Paragraph 122)

Regarding Claim 6.

Milosavljevic further teaches the required dividend growth and the required dividend yield remain unchanged throughout the predefined term. (Paragraphs 100 and 122)

Regarding Claim 7.

Milosavljevic further teaches the value indicator is dividends. (Paragraph 97)

Regarding Claim 8.

Milosavljevic further teaches the value indicator is earnings. (Paragraph 97)

Regarding Claim 9.

Milosavljevic further teaches the value indicator is cash flow. (Paragraph 97)

Regarding Claim 11.

Milosavljevic further teaches the first period and the subsequent respective periods are yearly periods. (Paragraph 87)

Regarding Claim 12.

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in equity- based investments; (Paragraphs 70 and 136)

determining an initial dividend yield; (Paragraph 100 Table 1)

determining a growth rate; (Paragraph 100 Table 1)

determining a value indicator to be used during the predefined term; and

investing the institutional capital in the equity-based investments for the predefined term in accordance with the initial dividend yield and the growth rate, the investment manager using at least the value indicator to determine whether to buy, to

hold or to sell at least one of the equity-based investments during the predefined term;
and (Paragraphs 100 and 105 and 121 and 122)

determining whether the investment manager meets a plurality of dividend targets associated with the initial dividend yield and the growth rate by comparing dividends paid on the equity-based investments during each of a plurality of periods to the plurality of respective dividend targets, wherein monitoring the performance of the selected investment manager includes electronically generating performance reports using software on a performance management system.

Milosavljevic fails to teach:

selecting an investment manager;

monitoring performance of the selected investment manager;

Edelman teaches:

selecting an investment manager; (See Field of the invention)

monitoring performance of the selected investment manager; (See Field of the invention)

It would have been obvious to one of ordinary skill in the art to include Selecting an investment manager and monitoring the performance of the selected manager as taught by Edelman in the method of Milosavljevic since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. Examiner notes that the applicant's arguments that the investment manager and reports

generated by Milosavljevic are the and for the customer and not the investment manager. Edelman teaches the investment manager is a computer program. Using the system of Milosavljevic to monitor the decisions of Edelman's investment manager would be a simple coding change.

Regarding Claim 14.

Milosavljevic further teaches monitoring the performance of the investment manager further includes evaluating at least one of the performance reports generated by the investment manager. (Paragraph 105)

Regarding Claim 15.

Milosavljevic further teaches the value indicator is dividends. (Paragraph 97)

Regarding Claim 16.

Milosavljevic further teaches the value indicator is earnings. (Paragraph 97)

Regarding Claim 17.

Milosavljevic further teaches the value indicator is cash flow. (Paragraph 97)

Regarding Claim 37.

Milosavljevic teaches:

determining a predefined term for investing a predetermined amount of institutional capital in at least one bond investment ; (Paragraph 100 Table 1)

defining a value indicator to be used during the predefined term; (Paragraph 99)

investing the predetermined amount of institutional capital in the at least one bond investment for the predefined term, the investment manager using the value indicator to determine whether to buy, to hold, or to

sell the at least one bond investment during the predefined term; (Paragraph 111)

monitoring whether the selected investment manager meets one or more performance targets not based on market value, wherein monitoring the performance of the investment manager includes electronically generating performance reports using software on a performance management system.

Milosavljevic fails to teach:

selecting an investment manager;

monitoring performance of the selected investment manager;

Edelman teaches:

selecting an investment manager; (See Field of the invention)

monitoring performance of the selected investment manager; (See Field of the invention)

It would have been obvious to one of ordinary skill in the art to include Selecting an investment manager and monitoring the performance of the selected manager as taught by Edelman in the method of Milosavljevic since the claimed invention is merely a combination of old elements, and in the combination each element merely would have performed the same function as it did separately, and one of ordinary skill in the art would have recognized that the results of the combination were predictable. Examiner notes that the applicant's arguments that the investment manager and reports generated by Milosavljevic are the and for the customer and not the investment manager. Edelman teaches the investment manager is a computer program. Using the system of Milosavljevic to monitor the decisions of Edelman's investment

manager would be a simple coding change.

Regarding Claim 38.

Milosavljevic further teaches the value indicator is fair value of the at least one bond investment. (Paragraph 18)

Regarding Claim 39.

Milosavljevic further teaches monitoring the performance of the investment manager further includes comparing an amount of capital at the end of a respective period during the predefined term with an aggregate of accumulated interest and the fair value of the at least one bond investment at the end of the respective period. (Paragraphs 98 and 207)

13. The following is a quotation of 35 U.S.C. 103(a) which forms the basis for all obviousness rejections set forth in this Office action:

(a) A patent may not be obtained though the invention is not identically disclosed or described as set forth in section 102 of this title, if the differences between the subject matter sought to be patented and the prior art are such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains. Patentability shall not be negated by the manner in which the invention was made.

14. Claims 10 and 18 rejected under 35 U.S.C. 103(a) as being unpatentable over Milosavljevic in view of Edelman in further view of Official Notice.

Regarding Claims 10 and 18.

Milosavljevic fails to teach the value indicator is book value.

Official notice is taken that using book value as a value indicator is old and well known in the art. There is motivation to combine Milosavljevic and Official Notice

because using book value would allow Milosavljevic to use another value indicator increasing the chance for a properly funded retirement.

Conclusion

Any inquiry concerning this communication or earlier communications from the examiner should be directed to JAMES A. VEZERIS whose telephone number is (571)270-1580. The examiner can normally be reached on Monday-alt. Fridays 7:30am-5:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Kramer can be reached on 571-272-6803. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

Information regarding the status of an application may be obtained from the Patent Application Information Retrieval (PAIR) system. Status information for published applications may be obtained from either Private PAIR or Public PAIR. Status information for unpublished applications is available through Private PAIR only. For more information about the PAIR system, see <http://pair-direct.uspto.gov>. Should you have questions on access to the Private PAIR system, contact the Electronic Business Center (EBC) at 866-217-9197 (toll-free). If you would like assistance from a USPTO Customer Service Representative or access to the automated information system, call 800-786-9199 (IN USA OR CANADA) or 571-272-1000.

/James A. Kramer/
Supervisory Patent Examiner, Art Unit 3693

/JAMES A VEZERIS/
Examiner, Art Unit 3693

6/30/2009